

REMARKS

Applicants sincerely appreciate the Examiner granting an Interview and speaking with Attorney of Applicants on 10/2/08. Applicants also sincerely appreciate the interpretation of the terms “decrypting” and “one-way hash” made by the Examiner.

Claims 1-30 are pending and stand rejected. All of the drawings are accepted.

Claims 12, 14, 18, and 30 are objected to for using the functional language “configured to”. Claims 1-30 stand rejected under 35 USC § 102(b) as being anticipated by U.S. Patent Application Publication 2002/0174334 (hereinafter “Meadow”). Further, claims 1-30 stand rejected under 35 USC § 103(a) as being unpatentable over Meadow in view of U.S. Patent 6,170,744 (hereinafter “Lee”).

Applicants respectfully submit that the rejections with respect to the claims are traversed and overcome in light of the amendments and the following remarks.

Claim Objections

The Final Office action objected to claims 12, 14, 18, and 30 due to usage of the functional language “configured to” and requested changing the language to “programmed to”. In response, Applicants amended claims 12, 14, 18, and 30 to adopt the language proposed by Examiner.

Claim rejections under 35 USC § 102(b)

The Final Office action rejected claims 1-30 under USC § 102(b) as being anticipated by Meadow. A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.¹ Applicants respectfully traverse the rejections and submit that claims 1-30, as amended and included herein, overcome anticipation rejections according to Meadow for several reasons that are described below.

¹ *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

Regarding claims 1-30 being rejected under USC § 102(b), the Final Office action states that Meadow “incorporates United States Patent 6,170,744 by reference”, arguing that 6,170,744 (Lee) provides data which may be generated at the time of purchase (6.a. on p. 3 of Final Office action). Applicants respectfully submit that combining the teachings of Meadow and Lee is improper for maintaining a 102(b) rejection based on the manner in which Meadow incorporates Lee.

Proving a patent invalid by anticipation “requires that the four corners of a single, prior art document describe every element of the claimed invention, either expressly or inherently, such that a person of ordinary skill in the art could practice the invention without undue experimentation.”² Incorporation by reference provides a method for integrating material from various documents into a host document by citing such material in a manner that makes clear that the material is effectively part of the host document as if it were explicitly contained therein.³ Incorporation by reference requires a statement “clearly identifying the subject matter which is incorporated and where it is to be found.”⁴ The host document “must cite the material in a manner that makes clear that it is effectively part of the host document as if it were explicitly contained therein.”⁵ The host document must, therefore, both (1) “identify with detailed particularity what specific material it incorporates”; and (2) “clearly indicate where that material is found in the various documents.”⁶ Applicants respectfully argue that Meadow does not identify with detailed particularity where Lee teaches how a PIN may be “generated when [a] purchaser makes an offer of payment”. Instead, Meadow merely states that Lee “...is incorporated in its entirety herein by reference.” Based on the insufficient incorporation by reference, Applicants respectfully argue that combining the teachings of Meadow and Lee is improper for maintaining a 102(b) rejection of claims 1-30.

Claim rejections under 35 USC § 103(a)

The Final Office action also rejected claims 1-30 under 35 USC § 103(a) as being unpatentable over Meadow in view Lee. Applicants respectfully submit that the § 103(a)

² *Advanced Display Sys. Inc. v. Kent State Univ.*, 212 F.3d 1272, 1282 (Fed.Cir.2000).

³ *Id.*

⁴ *In re Seversky*, 474 F.2d 671, 674 (Cust. & Pat.App.1973).

⁵ *Advanced Display Sys.*, 212 F.3d at 1282.

⁶ *Id.*

rejections with respect to claims 1-30 are traversed and are overcome in light of the amendments and the following remarks.

Upon reviewing Meadow and Lee, Applicants maintain that the teachings of Meadow and Lee are distinguishable from the teachings and embodiments claimed by Applicants. Meadow provides for processing checks submitted for validation using a **one-way hash value** to obtain an enhanced level of security in order to counteract check fraud (Meadow [0021], with emphasis added). Similarly, Lee provides a self-authenticating system and method for a negotiable instrument, such as a check, which utilizes **one-way hashing** to provide a level of security in counteracting fraud (Lee Col. 3, lines 38-44, with emphasis added).

Contrasted with Meadow and Lee, Applicants describe embodiments that enable purchasers to use conventional checks in offers of payments for electronic transactions of web commerce over the Internet (App. No. 10/733,838 [0009]). Applicants have disclosed and described how PINs are generated when a purchaser desires to pay for a transaction via check (App. No. 10/733,838 [0037]). The PINs are encoded and used to authenticate the purchaser and verify that sufficient funds are available to the purchaser for the transaction (App. No. 10/733,838 [0018]). Using PINs and checks to make payments for e-commerce transactions in the embodiments taught by Applicants may enable checks to clear immediately and let merchants know that monies are available for the purchases (App. No. 10/733,838 [0018]).

As noted above, the Final Office rejected claims 1-30 under § 102(b), making reference to different sections of Meadow and Lee to support the anticipation arguments of Examiner for the various claim limitations. Applicants will address specific arguments made in the § 102(b) section and treat the arguments as § 103(a) arguments, per comments by Examiner in section 8 (item "1." on page 5 of Final Office action).

Regarding the Final Office action statement that Meadow (Lee) teaches "...wherein the PIN is generated when the purchaser makes [an] offer of payment..." (Section 6.a. on page 3 of Final Office action), Applicants respectfully submit that creating the symbols or PDFs in Lee, which are to be printed on the faces of checks (Lee Col. 5, lines 51-55) using check printing systems by each customer (Lee Col. 6, lines 66-67), is distinguishable from the embodiments claimed by Applicants. More specifically, Applicants claim generating PINs to enable purchasers to use checks in offers of payments for electronic transactions of web commerce over the Internet (App. No. 10/733,838 [0009]). Using PINs and checks to make payments for e-

commerce transactions in the embodiments taught by Applicants may enable checks to clear immediately and let merchants know that monies are available for the purchases (App. No. 10/733,838 [0018]). Embodiments of Applicants may enable a purchaser to interact with software, such as software of a bank of the purchaser, and generate a PIN (App. No. 10/733,838 [0036]). The bank may later **decode** the PIN upon receiving an encoded form of the PIN, use the decoded PIN to verify that sufficient funds are available, and authorize the transaction (App. No. 10/733,838 [0018], [0020], with emphasis added). In contrast, the hash values of Meadow and Lee cannot be “used in a reverse process” ([0039] of Meadow; Col. 6, lines 33-36 of Lee)

To highlight the distinctions, Applicants have amended independent claims 1, 11, 19, and 25. For example, claim 1 now reads “...wherein the PIN is generated when the purchaser makes an offer of payment, wherein further the PIN enables the purchaser to make an electronic transaction of web commerce over the Internet; ... enabling immediate clearance of the check based on the comparing and the verification of sufficient funds.” Applicants respectfully submit that neither Meadow, nor Lee, nor the combination of both Meadow and Lee teach or suggest how the PIN may enable electronic transaction of web commerce over the Internet or enable immediate clearance based upon a comparison and verification of sufficient funds.

Regarding the Final Office action statement that Meadow teaches “...decoding the encoded PIN...” (Section 6.c. on page 3 of Final Office action), Applicants respectfully submit that Meadow does not teach or suggest “decoding the encoded PIN”. Instead, Applicants argue that Meadow uses the ABA number, the customer account number, the check number, and private data of the customer to generate the one-way hash value (Meadow [0062]). Meadow then compares the **generated** one-way hash value with the **transmitted** one-way hash value to find if there is a match and authenticate the check (Meadow [0062], emphasis added). In other words, Applicants respectfully submit that Meadow calculates a new one-way hash value and compares the newly computed value with the transmitted one-way hash value and does **not decode** the transmitted one-way hash value.

Regarding the Final Office action statement that Meadow teaches “... comparing a password embedded in the decoded PIN against a password received from the purchaser for the transaction ...” (Section 6.h. on page 4 of Final Office action), Applicants respectfully disagree. Applicants searched for “password” in Meadow and could not find the word in the specification. Further, Applicants found that Lee patent does contain the word “password” but only uses it

when describing a prior art reference in the “Description of Related Art” section (Lee, Col. 3, lines 10-35), which is different from the manner in which Applicants claim using an embedded password. Further, Applicants respectfully argue that “Invoice” and the other data of Lee are significantly different from “password” as claimed and used by Applicants.

In light of the above arguments and amendment to independent claims 1, 11, 19, and 25, Applicants respectfully argue that Meadow and Lee do not disclose or suggest each and every element of claims 1, 11, 19, and 25. Accordingly, Applicants respectfully traverse the rejection of independent claims 1, 11, 19, and 25 and request that the claims be allowed.

Regarding claims 2-10, 12-18, 20-24, and 26-30, if an independent claim is nonobvious under 35 USC § 103, then any claim depending therefrom is nonobvious.⁷ Claims 2-10, 12-18, 20-24, and 26-30 depend from independent claims 1, 11, 19, and 25, respectively. As amended, independent claims 1, 11, 19, and 25 are nonobvious and in condition for allowance. Since dependent claims 2-10, 12-18, 20-24, and 26-30 include all of the limitations of independent claims 1, 11, 19, and 25, respectively, claims 2-10, 12-18, 20-24, and 26-30 should now also be allowed. Accordingly, Applicants respectfully traverse the rejections of dependent claims 2-10, 12-18, 20-24, and 26-30 and request that the claims be allowed.

The Final Office stated that Applicants did not challenge citations of Official Notice in the 10/22/07 Office Action, specifically for claims 5, 6, 16, and 22. Applicants respectfully disagree. Applicants amended independent claims 1, 11, and 19. As Applicants noted above, if an independent claim is nonobvious under 35 USC § 103, then any claim depending therefrom is nonobvious.⁸ Dependent claims 5, 6, 16, and 22 depended on amended independent claims 1, 11, and 19, which Applicants noted. Applicants respectfully submit, therefore, that the citations of Official Notice regarding claims 5, 6, 16, and 22 were rendered moot due to the amendments.

Various Claim Amendments

Regarding claim 1, as noted above Applicants have inserted the additional limitations “... wherein further the PIN enables the purchaser to make an electronic transaction of web commerce over the Internet ...” and “... enabling immediate clearance of the check based on the

⁷ *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

⁸ *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

comparing and the verification of sufficient funds.” The amendment of claim 1 does not add new matter and is supported by the specification (App. No. 10/733,838 [0009], [0018]).

Regarding claim 6, Applicants have inserted the additional limitation “...wherein decoding the encoded PIN comprises decrypting the encoded PIN to determine the date and time of generation of the encoded PIN”. The amendment of claim 6 does not add new matter and is supported by the specification (App. No. 10/733,838 [0023], [0032]).

Regarding claim 11, Applicants have inserted the additional limitation “...wherein further the offer of payment is for an electronic transaction of web commerce over the Internet...” and inserted “verify the identity of” to replace “authenticate”. The amendment of claim 11 does not add new matter and is supported by the specification (App. No. 10/733,838 [0009], [0018], [0023]).

Regarding claim 12, Applicants have inserted the additional limitation “... wherein further the PIN module is programmed to transmit the encoded PIN directly to a bank of the purchaser.” The amendment of claim 12 does not add new matter and is supported by the specification (App. No. 10/733,838 [0030]).

Regarding claim 13, Applicants have inserted the additional limitation “... wherein further the PIN module comprises a shopping cart plug-in.” The amendment of claim 13 does not add new matter and is supported by the specification (App. No. 10/733,838 [0020]).

Regarding claim 14, Applicants have inserted the additional limitation “...to enable immediate clearance of the check based upon the comparison of the decoded PIN and the verification of sufficient funds ...” The amendment of claim 14 does not add new matter and is supported by the specification (App. No. 10/733,838 [0018]).

Regarding claim 16, Applicants have inserted the additional limitation “... wherein further the PIN decoder is arranged to decode PINs encoded by different account holders by

utilizing information associated with the corresponding accounts.” The amendment of claim 16 does not add new matter and is supported by the specification (App. No. 10/733,838 [0034]).

Regarding claim 19, Applicants have inserted the additional limitation “... wherein further the offer of payment is for an electronic transaction of web commerce over the Internet ...” The amendment of claim 19 does not add new matter and is supported by the specification (App. No. 10/733,838 [0009], [0018]).

Regarding claim 20, Applicants have inserted the additional limitation “... further comprising transmitting an indication that funds will be transferred to a merchant bank ...” The amendment of claim 20 does not add new matter and is supported by the specification (App. No. 10/733,838 [0030]).

Regarding claim 21, Applicants have inserted the additional limitation “... further comprising authorizing the electronic transaction and transmitting approval to the merchant ...” The amendment of claim 21 does not add new matter and is supported by the specification (App. No. 10/733,838 [0022], [0047]).

Regarding claim 25, Applicants have inserted the additional limitation “... wherein further the interaction is for an electronic transaction of web commerce over the Internet between the person and a merchant ...” The amendment of claim 25 does not add new matter and is supported by the specification (App. No. 10/733,838 [0009], [0018]).

Regarding claim 26, Applicants have inserted the additional limitation “... immediately transferring funds for the offer of payment based on the comparing the decoded PIN.” The amendment of claim 26 does not add new matter and is supported by the specification (App. No. 10/733,838 [0030]).

Regarding claim 27, Applicants have inserted the additional limitation “...further comprising enabling the person to log into a PIN module to generate the encoded PIN ...” The

amendment of claim 27 does not add new matter and is supported by the specification (App. No. 10/733,838 [0037]).

Regarding claim 29, Applicants have removed the limitations "...wherein further one of the facts comprises ~~one of a date, a time, ... a password, an account number, a check number, a routing number, and an amount of money.~~" The amendment of claim 29 does not add new matter and is supported by the specification (App. No. 10/733,838 [0023], [0032], [0035]).

CONCLUSION

Applicants respectfully respond to the objections and traverses the cited references in regards to the claim rejections under 35 USC §§ 102 and 103. Accordingly, Applicants believe that this response constitutes a complete response to each of the issues raised in the Final Office action. In light of the amendments made herein and the accompanying remarks, Applicants believe that the pending claims are in condition for allowance. Thus, Applicants request that the rejections be withdrawn, pending claims be allowed, and application advance toward issuance. If the Examiner has any questions, comments, or suggestions, the undersigned attorney would welcome and encourage a telephone conference at (281) 245-3316.

A petition for an extension and authorization for the corresponding fees accompany this response. No other fees are believed due with this paper. However, if any fee is determined to be required, the Office is authorized to charge Deposit Account 09-0447 for any such required fee.

Respectfully submitted,

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Date

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